DOCUMENT RESUME

ED 439 796 PS 028 400

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TITLE Ottawa Should Help Build a National Early Childhood Development System.
INSTITUTION Caledon Inst. of Social Policy, Ottawa (Ontario).
ISBN ISBN-1-894159-90-X
PUB DATE 2000-02-00
NOTE 17p.
AVAILABLE FROM Renouf Publishing Company Limited, 5369 Canotek Road, Ottawa, Ontario K1J 9J3, Canada. Tel: 613-745-2665; Fax: 613-745-7660; e-mail: caledon@caledoninst.org; Web site: http://www.caledoninst.org.
PUB TYPE Opinion Papers (120)
EDRS PRICE EDRS Price MF01 Plus Postage. PC Not Available from EDRS.
DESCRIPTORS Block Grants; Change Strategies; Child Advocacy; Child Development; Child Welfare; *Delivery Systems; *Early Childhood Education; Federal Aid; Federal Government; *Federal Programs; Foreign Countries; Government Role; Policy Analysis; *Policy Formation; Public Policy; Social Services
IDENTIFIERS *Canada

ABSTRACT

This commentary focuses on the role of the Canadian federal government in early childhood development policy. The commentary begins by exploring the twin pillars of Canada's family policy, income support and services, then asserts that policy must move beyond these traditional provisions to offer early childhood development initiatives that will benefit children in all circumstances. The commentary further describes the "sorry" state of early childhood development in Canada, addressing the issues of early years learning, decreasing federal funding, inadequate supply and uneven quality, and children with disabilities. The commentary then advances three options for federal action on early childhood development: (1) creation of a National Child Development Fund, whose guiding principles would be comprehensiveness, universality, accessibility, quality, and accountability, with desirable practices of service integration, mixed delivery, and a community base; (2) block financing; and (3) federal-only measures. The commentary concludes by noting its strong support for option 1, although a combination of options 2 and 3 would be preferable to the status quo. (Contains 14 references.) (EV)

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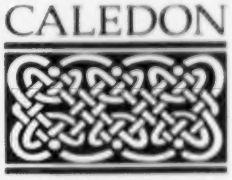

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Ottawa Should Help Build A National Early Childhood Development System

by

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Ken Battle and Sherri Torjman

February 2000

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ISBN 1-894159-90-X

Published by:

The Caledon Institute of Social Policy
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K1Y 4N7
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Caledon publications are available from:

Renouf Publishing Company Limited
5369 Canotek Road
Ottawa, Ontario
K1J 9J3
Phone: (613) 745-2665
Fax: (613) 745-7660

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71 1/2 Sparks Street, Ottawa (613) 238-8985
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After decades of research and lobbying on the part of children's experts and social advocates, Canadian governments finally are acknowledging that families need the support and assistance of a comprehensive family policy. The federal, provincial and territorial governments are jointly developing a 'National Children's Agenda' intended to meet the diverse needs of families with children.

The task now is to move from vision to action, from rhetoric to reality, from words to deeds.

Effective family policy calls for action on a number of fronts, and not only by governments at all levels – federal, provincial/territorial and local. Parents, employers, unions and professional associations, schools, the voluntary sector, social advocates and communities have important roles to play as well. Strong family policy is a complex undertaking that requires shared objectives and principles as well as coordinated activity on the part of a variety of stakeholders.

This commentary focusses on the role of one key player – the federal government – in an important but underdeveloped field of Canadian family policy: early childhood development.

Twin pillars of family policy: income and services

The federal government's main social policy lever is income support, so it is not surprising that federal initiatives on the National Children's Agenda so far have concentrated on the crucial income dimension of family policy. Ottawa is boosting spending on the redesigned Canada Child Tax Benefit as its part in the ongoing federal-provincial/territorial reform of income assistance for children known as the National Child Benefit. The federal government also plans to extend the duration and reach of paid parental leave benefits provided under Employment Insurance. The upcoming federal 2000 Budget will feature broad income tax relief intended to improve the disposable incomes of all taxpayers, including families with children.

But there is more to family policy than income security programs and the taxation system. The National Child Benefit is but one – albeit pivotal – element of a National Children's Agenda. Improved parental leave and tax reforms are necessary but not sufficient ingredients of strong family policy.

Families also need a wide range of supporting services – social, health, education and employment – to help parents balance their responsibilities at home and work, enhance their parenting capacity and assist them in dealing with problems that income alone cannot solve. Children can benefit from a head start on learning and development during their critical early years.

All families with children need help at some point to cope with problems they face that are rooted in profound changes in our economy and society, as well as the age-old burdens of childrearing. Among the more traditional child-related social services are adoption, foster care, child welfare and family counselling. Health care – not just crisis care, but also preventive measures aimed at promoting pre- and post-natal health, nutrition and the early detection of problems – is another crucial service for families with children. The public educational system remains society's primary acknowledgement that children are not just a parental responsibility and a private expense – but also a shared responsibility

and public cost because all Canadians benefit from educating children.

But family policy must move beyond these traditional services and supports. Society should shoulder part of the burden of caring for and educating children of all ages – including the very young – because they are a public concern, not just a private 'consumption' choice by parents.

The large majority of couples, including those with preschool children, now have both parents in the workforce. Most single parents are employed as well. So child care is a prerequisite for employment in a modern economy. But child care is also one among a variety of early childhood services that can have a powerful educational value.

Children in all circumstances can benefit significantly from a range of early childhood development initiatives that foster their physical, social and intellectual development during the formative early years. These benefits can accrue whether children are cared for primarily in their home by their parents or in quality child care, whether they are raised in single-parent or two-parent families, and whatever their socio-economic status and ethnic background.

All families with children, in all income groups, can benefit from early childhood development services. A mounting body of research provides substantial evidence that such measures enhance children's growth and development along multiple dimensions – physical, emotional, social, linguistic and intellectual. These services have been found to improve children's subsequent performance in school, lessen the learning risks linked to low income, and enhance parents' child-rearing and coping skills.

The sorry state of early childhood development

'Early childhood development services' is a broad term that refers to a diverse array of measures intended to assist young children and parents. Most Canadians are familiar enough with child care (still often referred to as 'day care'). But there are numerous other supports that fall under the rubric of early childhood development. Many of these services help families that care for their children at home, not just those with children in child care.

Early childhood development programs include pre- and post-natal nutrition, infant stimulation, play groups, breakfast programs, cultural awareness (e.g., for aboriginal children), arts and recreation, and family literacy. Supports for parents include home visiting, parenting classes, family resource drop-in centres where parents can obtain useful parenting information and help one another, toy and book lending libraries, and respite arrangements which provide occasional relief to parents from their caregiving responsibilities. Respite services have been found to be particularly important for families with children with disabilities.

Unfortunately, family-related supports, both public and private, remain inadequate in supply, scope and quality. With the significant exception of Quebec, Canada still lacks a strong commitment to family policy: Indeed, 'family policy' remains a foreign-sounding term, unlike *la politique familiale*.

lifelong learning begins early

The root of Canada's inadequate provision for early childhood lies in the artificial and outmoded distinction between 'care' and

'education.' In the Leave-It-To-Beaver worldview that has long been *passé*, fathers knew best and went to work. Mothers cared for their young children at home until they were old enough to go to kindergarten (if available) or elementary school, when 'education' began.

This model, whose influence in Canada lingered long after Wally and The Beaver grew up, is out of touch for two reasons. First, the large majority of mothers – including those with infants – now work in the paid labour force, so most families must find care for their preschool children. Second, research (and commonsense observation) shows that learning begins at – perhaps even before – birth. The first few years of life are critical for brain development and influence children's subsequent performance at school and, eventually, in the job market.

In today's knowledge economy, whose primary resource is human capital, cradle-to-grave lifelong learning is a national imperative, not a luxury for the fortunate few. Yet Canada (outside of Quebec) continues to pretend that 'education' begins at age 4 or 5 and that parents must shoulder most of the financial burden and responsibility for the 'care' of their young children until they are old enough to attend kindergarten or elementary school. Too much critical learning takes place in the early years to leave early childhood development largely to the marketplace and relegate it to an after-thought of 'child care.' Public funding is aimed mainly at school-age children and ignores the formative period of learning – the early years.

falling federal funding

To make matters worse, government cutbacks to social spending during the anti-deficit campaigns of the federal and provincial governments have hurt many families. While the provinces have primary responsibility for health care and social services, the federal government played a key role in developing and maintaining these essential services in the 1960s, 1970s and 1980s, mainly by helping to pay for them.

In the 1990s, though, Ottawa substantially cut its social transfer payments to the provinces and in 1996 replaced its two key financing instruments (Established Programs Financing for health and postsecondary education and the Canada Assistance Plan for welfare and social services) with a single block-funded Canada Health and Social Transfer (CHST). Despite its name, the CHST effectively constitutes federal support for health, leaving the provinces responsible on their own for financing welfare, social services and higher education.

The provincial governments also have reduced their social spending, in many cases in response to cuts in their federal social transfers. Ideology also played a major part in some provinces, notably Ontario, where the Harris government's fervent ideological opposition to social spending has resulted in a Blitzkrieg attack on welfare and social services, including child care.

Granted, through the reinvestment agreement of the National Child Benefit, most provinces are redirecting money they used to spend on welfare benefits on behalf of children – payments that gradually are being replaced by increased federal child benefits – on other income programs and services for lower-income families. So Ottawa effectively is helping the provinces and territories invest in a range of child-related initiatives that can include services such as child care and early childhood develop-

ment (the choice is up to each province). But such reinvestments vary in nature and scope, can include income support as well as services, and are limited to low-income families with children.

Moreover, once the federal Canada Child Tax Benefit has been increased to the point where it fully displaces provincial/territorial welfare benefits on behalf of children – about $2,500 per child on average – the process of provincial reinvestment in other programs and services for low-income families will come to an end, since there will be no more welfare savings resulting from improvements to federal child benefits. While useful, the National Child Benefit's time-limited reinvestment strategy cannot be seen as a replacement for substantial, stable federal funding focussed on services available to *all* families.

inadequate supply, uneven quality

Only a small minority of Canadian families with children – typically affluent families with enough money or (some) poor families lucky enough to find government-subsidized care – can obtain regulated child care provided in day care centres or caregiver homes. Only well-off households can hire nannies to care for their children in their own homes. The cost of child care is a serious problem for the middle-income majority of families, as well as most poor and modest-income families, that cannot get access to (increasingly scarce) subsidized child care. Moreover, many families that must use unregulated child care do not qualify for tax assistance from the child care expense deduction because their caregivers work in the underground economy and do not supply the receipts required by Revenue Canada.

But even for many middle-income families, cost is not the only issue. Equally if not more serious is the sheer lack of high-quality child care. Research has found that regulated child care is typically superior to unregulated care. However, regulatory requirements vary from one province to another, and generally are not up to the standards associated with quality child care.

Similarly, nonprofit child care has been shown to be superior to commercial child care in terms of key indicators, such as staff training and education, wages, job satisfaction, staff turnover, staff-child ratios and group size. Yet most child care in Canada is unregulated and commercial. And finding any child care at all is often a real barrier for shift workers and parents of children with disabilities.

Some families with 3- to 5-year-olds send their children to nursery school, which typically is privately operated but regulated by provincial governments in terms of safety standards and staff-child ratios. Like good regulated child care, nursery schools provide both care and early childhood education. However, nursery school is the preserve mainly of middle- and upper-income families that can afford the fees – whose cost is reduced through a *de facto* public subsidy (not available to most lower-income families) in the form of the child care expense deduction. This tax break reduces federal and provincial income taxes by an amount that increases with claimants' income (i.e., it pays most to taxpayers in the top tax bracket, less to those in the middle bracket and least to those in the bottom bracket).

Once their children cross the great age divide and turn age 5 (4 in some provinces), parents can send their children to publicly funded and operated kindergarten. The exception is Prince Edward Island, which still does not offer kindergarten. A recent study published by the Caledon Institute compared child care and kin-

dergarten in four provinces: Alberta, Ontario, Quebec and New Brunswick [Johnson and Mathien 1998]. While a majority of both services received scores "indicative of a good, developmentally appropriate classroom," kindergarten generally outranked child care and showed more consistent quality.

Kindergarten benefits from being part of the public school system, as opposed to child care that operates in the "services market." Kindergarten teachers must meet higher educational standards, and receive better pay and benefits than child care workers. As part of the overall school system, "kindergarten's public presence, combined with almost universal acceptance and use, carries with it greater public consensus regarding expectations in areas such as quality and program content. The consensus encourages authorities, whether local or provincial, to take measures that result in a similarity province-to-province" [Johnson and Mathien 1998].

Children usually attend kindergarten only half days, so they are only half way into the public system. The rest of the day, their parents must arrange child care, typically private. Quebec is the fortunate exception to this undesirable arrangement, because the province is building a rational system to cover the whole day through a combination of free kindergarten and $5 a day regulated care provided in child care centres or family homes.

children with disabilities

Families with children with physical or mental disabilities have special needs that rarely are met adequately. Special needs include technical aids and equipment, such as wheelchairs, hearing devices, specialized computers and software. They also involve specialized services to assist with daily living, health-related conditions or communication and learning problems – e.g., regular monitoring by a doctor or nurse to stabilize a medical condition. Finally, special needs include respite care to provide parents some relief from their caregiving responsibilities.

These services are not accessible to all families that desperately need them. The required services simply may not exist in their community. Or if they do exist, they may have to be purchased on the open market at a cost that many families cannot afford. Many households are forced to pay dearly for services and supports, a burden that stretches even comfortable incomes perilously thin.

Ottawa must play a key role

Sound anti-poverty and family policy must be built on strong pillars of income support and a broad spectrum of services (social, health, education and employment). Both pillars are necessary and neither is sufficient in itself.

Society has as crucial a stake in early childhood development as it does when children reach 'normal' school age. The early years are particularly important because they provide the foundation for children's future performance at school and work.

A national early childhood development system must be broad and flexible enough to suit the unique needs and preferences of individual families and communities across Canada. It must acknowledge and respect the fact that different provinces have built somewhat different structures. The actual mix of family services varies from one community to another. Provinces should be free to set their own particular design, but should be encouraged to build on the school as a community base for providing a broad

range of early childhood development and family support programs.

Governments can neither design strong family policy nor build and operate a comprehensive system of early childhood development without the help of other stakeholders. These include parents, municipalities, employers, trade unions, schools, child care providers, voluntary groups, communities, children's advocates and experts.

Nonetheless, the primary responsibility for financing and overseeing the construction of this vital social infrastructure must reside with the federal and provincial/territorial governments. Government as the agent of society should remain the primary actor in the financing and overall design of family policy, though different elements can be delivered through a combination of governmental and nongovernmental agencies. As it did in the past with medicare, postsecondary education, welfare and social services, Ottawa must play a key role in building an early childhood development system in partnership with the provinces and territories.

Three options for federal action on early childhood development

We envisage three broad options for how Ottawa could help build an early childhood development system. Only the first is satisfactory in our view, but the other two (or, better still, a combination of them) at least would be better than the status quo.

Option #1: National Child Development Fund

We propose the creation of a National Child Development Fund to support the establishment and expansion of early childhood development services and family supports. The key elements are outlined below.

Ottawa would designate a lump sum of money over a period of time for investment in a broad range of early childhood development services and family supports. Ideally, the amount would begin with a minimum $500 million for the first year, adding another $500 million each year to reach $2.5 billion by the fifth year (for a cumulative total of $7.5 billion over five years). The federal government would transfer the money to the provinces and territories, subject to some reasonable conditions and guided by common principles and desirable practice.

In order to receive federal funding, provinces and territories would invest new resources in early childhood development and family supports. The new funds would have to be spent on actual *services* – not on income benefits or tax credits.

We would argue against a formula-based requirement for provincial/territorial matching expenditures, since that would resurrect the old Canada Assistance Plan problem in which better-off provinces received proportionately more federal dollars than poorer provinces. However, provinces and territories should be expected to direct additional monies of their own into early childhood development, negotiated through bilateral agreements with the federal government.

Moreover, our proposed National Child Development Fund must come with a set of principles to guide provincial use of the money. Considerable work already has been done inside and outside government on these matters, notably through the National Children's Agenda. Caledon's suggestions for possible guiding principles are outlined below.

It is important to understand that we are not suggesting a return to the euphemistically-called 'cooperative federalism' of the past, when the federal government was first among equals by virtue of its spending power that allowed it to shape provincial social programs: Provinces had to play by federally-set rules in order to get federal money.

In the new federalism of the Social Union, Ottawa and the provinces/territories must work together as equal partners in pursuit of commonly-defined and shared – not federally-imposed – objectives. While the federal spending power in areas of provincial/territorial jurisdiction (such as early childhood development services) remains crucial to the health of Canadian social policy (and, indeed, is recognized in the recent Social Union Framework Agreement), Ottawa can no longer make the rules itself: The basic purposes and essential elements of an early childhood development system must be set forth and agreed to by both levels of government.

The National Child Benefit usefully can serve as an exemplary model – a form of 'best practice' – for the new Social Union: The federal and provincial/territorial governments are acting in concert to reform their child benefit programs to create a stronger, integrated child benefit system providing equal assistance to all low-income families. And while Quebec formally has abstained from the National Child Benefit agreement, in reality it is pursuing the same basic vision as the other governments and, in fact, is benefiting from the increase in federal funding. So in terms of what counts most – the substance of child benefits, a key component of family policy – all 14 governments are running on the same track.

But building an early childhood development system is an even more daunting task than reforming child benefits. Early childhood development and family support programs involve a broader variety of elements than child-related income programs, and current provisions are far more variable and generally underdeveloped than child benefits. Nonetheless, the same strategy – joint and complementary action in pursuit of shared objectives developed and defined by the federal, provincial and territorial governments, energized by an infusion of federal funding – can serve the cause of early childhood development as it is doing for child benefits reform.

Governments are not on their own in meeting the challenge of constructing one of the most underdeveloped components of Canadian social policy. Over the years, an impressive body of scientific research from various disciplines in Canada and other countries has taught us a lot about the crucial importance of the early years and the potential for early childhood development and family support services.

On the ground, innovative projects across the country – many enabled by government 'R and D' (research and development) funding – have contributed a growing body of invaluable knowledge about best practice ('what works') in the field of early childhood development. Children's experts (including government officials) and social advocates have joined their efforts and talents to develop a remarkable consensus combining theory and practice in early childhood development. Governments are making use of this knowledge and have been greatly influenced by the work of the nongovernmental sector: It is imperative that such exchange of ideas and experiences among children's advocates and experts, wherever they are based, continue to inform the building of a national early childhood development system.

The challenge is to use this knowledge to build an effective early childhood development system available to all families with children throughout Canada.

We offer some suggestions below as to how to do this.

Guiding principles

The system of early childhood development and family supports that we envisage would operate according to a clear set of guiding principles rooted in the growing body of practical and scientific knowledge. These basic principles include comprehensiveness, universality, accessibility, quality and accountability. Ideally, the receipt of federal funds would be tied to adherence to these conditions, as is the case with the Canada Health Act that governs medicare.

comprehensiveness: While provinces would determine the design of their respective systems, the new federal funds would be intended to help develop a comprehensive range of early childhood development services over time. Our proposed National Child Development Fund would require Ottawa and the provinces/terri-tories to agree upon a set of essential early childhood development and family support services that define a comprehensive system.

Federal funds would be made available to help provinces and territories build their early childhood development systems in accordance with the agreed upon essential elements. Bilateral agreements would be required so that each province and territory could map out its plan, given the need for flexibility and recognition of provincial differences in development and approach. But if Ottawa and a particular jurisdiction were unable to negotiate an agreement that upholds the principle of comprehensiveness (and the other basic principles suggested below), then no federal funding would flow.

universality: Early childhood development services and family supports should be available to all families throughout the income spectrum, although geared-to-income parental fees could help finance the system. Despite the fact that these services and supports would be universally available, parents would not be required to use them. Families would be free to select whichever early childhood education services they wish, or not at all. However, most families likely would use at least some of the available services (e.g., currently, attendance at kindergarten is not compulsory, but the overwhelming majority of families choose to use it).

accessibility: The early childhood development system should serve families with children of all ages, including infants. It should meet the additional needs of families with children with disabilities and of recent immigrant families. Cost should not be a barrier. The lion's share of early childhood development services should be publicly financed from government revenues so as to reduce the direct cost to families. However, most parents would pay part of the cost directly, through geared-to-income fees. Fully subsidized services should be available to low-income families.

quality: All parts of the early childhood development system would be subject to appropriate regulations established and applied by provincial governments – e.g., health and safety standards, staff-child ratios and curriculum. There would be clear monitoring and reporting requirements.

accountability: All early childhood development agencies and programs, including those operated

by community organizations, would be accountable to governments and to the public in financial, administrative and performance terms. The latter requires ongoing monitoring and periodic quantitative and qualitative evaluation of outcomes and community decision-making processes.

This principle is consistent with the public accountability and transparency provisions of the Social Union Framework Agreement. Under these provisions, the federal and provincial/territorial governments have agreed to monitor and measure the outcomes of their social programs and report regularly on their performance. They also have made a commitment to sharing information and best practice in order to support the development of outcome measures. Governments have agreed to work together to establish comparable indicators of progress.

Desirable practice

In addition to adherence to key guiding principles, the system of early childhood development ideally would be built according to desirable practice guidelines identified in the literature. These include service integration, mixed delivery and community base.

service integration: The components of early childhood development should fit together into a coherent system, assuring continuous care and education to suit the diverse needs of all families with children – i.e., full-day, part-day, after-school, emergency, holiday and respite care. One way to integrate the range of elements is to tie them into the public educational system. This link would make their provision consistent with the way Canada provides medicare and education – comprehensive, accessible, universal and accountable to the taxpayer.

mixed delivery: Early childhood development covers a wide range of programs and services provided variously by all three levels of government, the private sector (including for-profit child care and nursery schools and not-for-profit workplace child care) and the voluntary sector. This diversity should be maintained, though public funding should not be invested in commercial child care and other for-profit family services. The latter could continue, financed through full parental fees (like the current school system, which allows private schools though the public system is dominant) that are partly offset by the child care expense deduction.

community base: A strong community base is required for designing, delivering and governing supports and services for families with children. Schools or community-based centres could be the hub of a range of early childhood development services. Parents should play an active role in the governance of early childhood development services and should be consulted as part of ongoing monitoring and evaluation efforts.

Option #2: Block financing

In the absence of a federal-provincial agreement or the political will to proceed with an approach in which federal funding is tied to clear principles, the second option is some form of block financing with few if any strings (i.e., conditions) attached. An obvious route to this approach would be to increase the budget of the Canada Health and Social Transfer block fund by adding a component designated for early childhood development.

Under such a loose funding arrangement, there would still be a need – perhaps all the more so – for accountability, public reporting and monitoring, and adherence to best practice. The

main weakness of this *laissez-faire* approach is that it would do little to ensure that federal funds help build a truly national system of early childhood development based on shared objectives and principles. The CHST effectively is an untied federal transfer that provinces virtually are free to spend as they wish – whether on health care, social programs or something else (including tax cuts).

Option #3*: *Federal-only measures

The third option is to continue to invest in federal-only measures in support of early childhood development services.

Ottawa can operate unilaterally on the income tax side (although federal actions on this front affect provincial income tax revenues). For example, as it has done on occasion, the federal government could increase the child care expense deduction – which would help some parents with the affordability problem, but does nothing to ensure an adequate, high-quality supply of services. Ottawa also could convert the child care expense deduction (which is worth more to higher-income taxpayers) to a nonrefundable credit that provided the same benefit to all recipients, though care would have to be taken in such a redesign to ensure that middle-income families not end up worse off.

A federal-only response also could entail putting more money into existing federal programs – such as Health Canada's Community Action Program for Children (CAPC), the Canada Prenatal Nutrition Program, First Nations/Inuit Child Care and Aboriginal Head Start – that fund innovative, community-based, preventive health and social service projects for families with children. There are many examples of creative and effective early childhood development projects that have been helped through federal funding programs.

Babies Best Start is one such example. Operating in Scarborough, Ontario, Babies Best Start is based on the concept of parents helping parents [Pickup 1999].

Funded by Health Canada's Community Action Program for Children, Babies Best Start trains and supports parents from various ethnocultural backgrounds to act as Home Visitors to parents and their children living in low-income neighbourhoods. Home Visitors, who wherever possible are assigned to families with backgrounds similar to their own, act more like friends to each family than social workers. Home Visitors informally discuss with parents such matters as stages of children's growth and development, nutrition and baby food preparation, appropriate toys and play. They also play a crucial bridging role between the home and the community by helping families forge relationships in the community.

The main objective of Babies Best Start is to promote – through early intervention and education – growth and development of young children and to provide support for their parents. The initiative also strives to strengthen communication between families and various community agencies so that families can get help if they need it.

Babies Best Start and other federally-funded projects have been highly successful, but remain demonstration models that exist only in selected communities. The challenge is to scale up to a national stage – not necessarily for replication but adaptation to varying community needs and resources – these already-proven-successful demonstration projects.

The federal government also could increase funding for research on children's issues through measures such as the National Longitudinal Survey of Children and Youth and the new Centres of Excellence for Children's Well-Being. The centres were announced in the 1997 Speech from the Throne and are part of the federal government's contribution to the National Children's Agenda.

The Centres of Excellence are intended to contribute to federal leadership in knowledge generation and dissemination on children's issues. Over a five-year period, they will collect and analyze information and data on children's health and well-being; conduct research on key child health and development issues; provide policy advice to governments and to health and social services organizations; disseminate information; and expand local, national and international networks involved in children's health and well-being.

Helpful as they can be, such federal supports for 'R and D' can do only so much. They can inform the construction of a national early childhood development system, but they cannot substitute for the actual building and operation that must be done on the ground by provincial/territorial governments and communities.

Our choice

Caledon strongly supports Option #1 – a National Child Development Fund – as the best way to ensure that federal money helps construct an early childhood development system throughout Canada. In its absence, we would opt very reluctantly for a combination of Options #2 and #3. Such a mixed approach at least would direct some funds for support of a service infrastructure as well as provide continued tax assistance to defray some of the cost of child care.

Outside of Quebec, early childhood development services in Canada generally are in a sorry state. Building a strong early childhood development system is one of the key challenges facing Canadian social policy in this first decade of the new century.

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